

Message Text

LIMITED OFFICIAL USE

PAGE 01 BELGRA 02075 011121Z

46

ACTION EUR-25

INFO OCT-01 ISO-00 SAJ-01 FEA-02 AID-20 CIAE-00 COME-00

EB-11 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07

OPIC-12 SP-03 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-07

SS-20 STR-08 CEA-02 L-03 H-03 PRS-01 PA-04 USIA-15

DRC-01 /169 W

----- 125675

R 010706Z MAY 74

FM AMEMBASSY BELGRADE

TO SECSTATE WASHDC 9233

INFO AMEMBASSY MOSCOW

USMISSION BERLIN

AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

USMISSION EC BRUSSELS

USMISSION NATO

USMISSION OECD PARIS

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

AMEMBASSY WARSAW

AMCONSUL ZAGREB

LIMITED OFFICIAL USE BELGRADE 2075

E.O. 11652: N/A

TAGS: ETRD, EFIN, YO, UR

SUBJECT: GOY-USSR MIXED COMMISSION MEETING ENDS: INITIAL
REACTIONS TO GOY-IIB PROTOCOL

REFS: A.MOSCOW 6170 B. BELGRADE A-186 C. MOSCOW 6290

1. BEGIN SUMMARY: ANNUAL GOY-USSR MIXED COMMISSION MEETING
ENDED APRIL 29. RESULTS APPEAR MEAGER -- COMMUNIQUE ADMITS ONLY
16 PERCENT OF \$540 MILLION NOVEMBER 1972 SOVIET CREDIT ACTUALLY DRAWN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BELGRA 02075 011121Z

DOWN. TRADE RELATIONS ARE ASSESSED "POSITIVELY" AND FIRST

QUARTER TRADE RESULTS SAID TO INDICATE THAT 1974 MUTUAL TRADE GOAL OF \$1 BILLION WILL BE MET. MIXED COMMISSION CONCLUDED THAT ECONOMIC COOPERATION PERFORMANCE STILL DOES NOT MEET EXPECTATIONS AND CALLED FOR SPEEDUP IN PROCESS OF REALIZING CREDITS. ON GOY-IIB PROTOCOL, OUR INITIAL INFORMATION INDICATES THAT NEW CREDIT -- REPORTEDLY \$500 MILLION -- EXPECTED TO MATERIALIZE FROM THIS AGREEMENT IS NOT INTENDED FOR PAN-ADRIA PIPELINE. EMBASSY WILL SEEK MORE INFORMATION WHEN SOURCES RETURN FROM ROM MAY DAY HOLIDAY AS WELL AS MORE SPECIFIC INFORMATION ON HOW GOY EXPECTS TO BENEFIT FROM NEW SOVIET CREDIT WHEN USE OF EXISTING ONE SEEMS TO BE LAGGING BADLY. END SUMMARY.

2. TANJUG, APRIL 30, REPORTS THAT 11TH ANNUAL SESSION OF MIXED YUGOSLAV-SOVIET COMMISSION FOR ECONOMIC COOPERATION ENDED APRIL 29 WITH SIGNING OF PROTOCOL BY FEDERAL EXECUTIVE COUNCIL VICE PREMIER SIROTKOVIC AND DEPUTY CHAIRMAN OF COUNCIL OF MINISTERS NOVIKOV. TANJUG NOTES THAT BOTH "POSITIVELY" ASSESSED TRADE AS "DOMINATING" FORM OF YUGOSLAV-SOVIET ECONOMIC RELATIONS. FIRST QUARTER 1974 TRADE RESULTS INDICATE, ACCORDING TO TANJUG, THAT 1974 GOY-USSR TRADE GOAL OF \$1 BILLION WILL BE MET.

3. TANJUG SAYS MIXED COMMISSION ALSO CONCLUDED THAT ECONOMIC COOPERATION AND CO-PRODUCTION, STILL DOES NOT MATCH PARTNERS' REAL POTENTIALS AND NEEDS. TO DATE, TANJUG'S REPORT CONTINUES, DRAWDOWN OF SOVIET CREDIT (PRESUMABLY 1972 \$540 MILLION CREDIT) AMOUNTS TO 16 PERCENT OR \$86.4 MILLION. CONTRACTS FOR "MANY OTHER" PROJECTS WILL BE SIGNED, ACCORDING TO TANJUG'S COMMUNIQUE. MIXED COMMITTEE REPORTEDLY RECOMMENDED THAT ECONOMIC ORGANIZATIONS IN BOTH COUNTRIES TAKE MEASURES TO REALIZE CREDIT DRAWDOWN "IN ACCORDANCE WITH PLANNED DYNAMICS;" SPEED UP THE PROCESS.

4. TANJUG ALSO REPORTS THAT PRIME MINISTER BIJEDIC RECEIVED NOVIKOV APRIL 29, A CUSTOMARY HONOR FOR DIGNITARIES OF NOVIKOV'S LEVEL. WE ARE PUZZLED, THOUGH, BY TANJUG REFERENCE TO ATTENDANCE AT THIS MEETING BY DEFENSE SECRETARY LJUBICIC.

5. ON YUGOSLAV-INTERNATIONAL INVESTMENT BANK (CEMA) PROTOCOL SIGNED APRIL 26, PRESS TREATMENT IS RELATIVELY LIGHT, WITH SHORT ARTICLES IN WEEKEND PRESS. NOVIKOV TRAVELS THROUGH YUGOSLAVIA PRIOR TO MIXED COMMISSION MEETING A LA SOVIET VICE PREMIERS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BELGRA 02075 011121Z

LESECHKO AND LOMAKO BEFORE HIM IN MARCH AND APRIL RECEIVED FAIRLY EXTENSIVE COVERAGE, PARTICULARLY IN TANJUG.

6. WE CHECKED POSSIBILITY OF IIB FINANCING OF PAN-ADRIA PIPELINE (REFS A AND C) WITH CHAMBER OF ECONOMY SECRETARY FILIP MARJANOVIC ON APRIL 29. ACCORDING TO MARJANOVIC, NEW CREDIT (REPORTEDLY \$500 MILLION) EXPECTED TO MATERIALIZE FROM YUGOALV-IIB PROTOCOL NOT REPEAT NOT FOR USE IN PAN-ADRIA

FINANCING BUT FOR RAW MATERIAL PROJECTS. WE ARE NOT CERTAIN OF HIS ACCURACY ON THIS AND INTEND TO CHECK FURTHER WITH FOREIGN AFFAIRS SECRETARIAT AND SOVIET EMBASSY SOURCES FOLLOWING MAY DAY HOLIDAY. HOWEVER, HIS STATEMENT DOES JIBE WITH WHAT SOVIETS TOLD US RECENTLY (REF B) I.E., THAT YUGOSLAVS ARE SEEKING CEMA HARD CURRENCY FINANCING FOR WIDE-DIAMETER PIPE AND THAT SOVIETS ARE NOT GOING TO MAKE CONVERTIBLE CURRENCY AVAILABLE FOR YUGOSLAVS TO IMPORT THIS FROM THE WEST.

7. COMMENT: APART FROM THE YUGOSLAV-IIB PROTOCOL CLEARING THE WAYS FOR YUGOSLAVS TO TAP THIS SOURCE OF FINANCING, WE HAVE THE INITIAL IMPRESSION THAT THE SOVIETS ARE DEVOTING A GREAT DEAL OF EFFORT IN YUGOSLAVIA (THREE MINISTERIAL VISITS IN AS MANY MONTHS) FOR WHAT APPEAR SO FAR TO BE MINIMAL RESULTS. MIXED COMMISSION MEETING FAILED TO ANNOUNCE ANY MAJOR BREAKTHROUGH ON DRAW-DOWNS FROM THE NOVEMBER 1972 CREDIT AND ADMITS THAT LESS THAN ONE-FIFTH OF THE AVAILABLE CREDITS HAVE BEEN FIRMLY AGREED. MIXED COMMISSION REPORT IS FRANK IN STATING THAT COOPERATION STILL DOES NOT MATCH REAL POTENTIAL AND NEEDS.

8. WE ARE ALSO UNSURE WHY THE YUGOSLAVS FEEL THEY NEED STILL ANOTHER BIG SOVIET CREDIT, THIS TIME THROUGH IIB, WHEN THEY ARE STILL A LONG WAY FROM DRAWING DOWN THE \$540 MILLION CREDIT THEY HAVE HAD AVAILABLE SINCE NOVEMBER 1972. THIS IS ONE OF THE POINTS WE WILL BE SEEKING CLARIFICATION ON FROM SOURCES HERE AFTER MAY DAY CELEBRATIONS ARE OVER. END COMMENT.
TOON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC COOPERATION, CREDIT, TRADE PROMOTION, MINISTERIAL MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 01 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BELGRA02075
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740104-0185
From: BELGRADE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740583/aaaacwsu.tel
Line Count: 142
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A.MOSCOW 6170 B. BELGRADE A-186 C. M, OSCOW 6290
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 03 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 APR 2002 by cunninfx>; APPROVED <11 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOY-USSR MIXED COMMISSION MEETING ENDS: INITIAL REACTIONS TO GOY-IIB PROTOCOL
TAGS: ETRD, EFIN, YO, UR
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005